Information Brief

HA/TMA Management of MHS Business Planning

OASD (Health Affairs)

August 25, 2004

Background

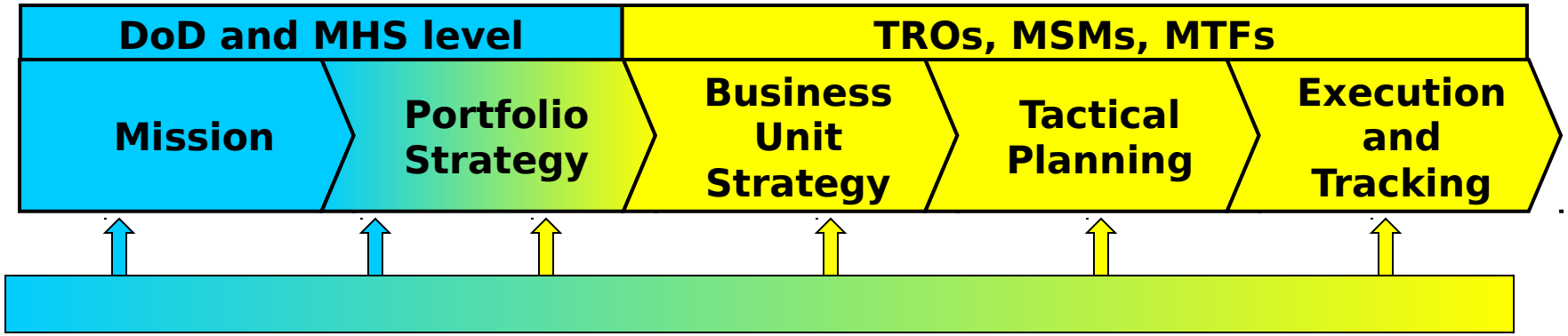
- **ASD (HA) has directed the development of an integrated, market-driven business planning process across the MHS**

- **ASD (HA) has asked for a recommendation on how to best manage the business planning process at the HA/TMA level**

MHS Business Planning Committee Charter

- **Finalize functions that should be performed by HA/TMA to manage business planning**
- **Finalize organizational options and prioritize**
- **Coordinate with DASDs**
- **Coordinate with Services**
- **Prepare decision brief for ASD (HA) and SMMAC**

Construct for Thinking



HA ROLES

- Provide strategic guidance
- Approve policy
- Provide framework to link Strategic Planning and Balanced Scorecard with MHS Business Planning
- Coordinate policy with Service Surgeons General
- Manage external communications

TMA ROLES

- Coordinate development of business planning processes, tools, and metrics
- Develop policy
- Review submitted business plans and provide feedback
- Serve as a clearinghouse for MHS planning studies and activities
- Sponsor best practice research
- Sponsor training and education

Key HA/TMA Functions

- **Align the business planning process with the MHS Strategic Plan/Budget/POM process**
- **Coordinate business plan formulation with HA/TMA/Services/MSMs/MTFs**
- **Tasking, i.e. coordinate operational execution issues**
- **Educate/coordinate business planning sequence**
- **Communicate with all stakeholders**
- **Receive, distribute business plans**
- **Analysis**
- **Monitor/Track**
- **Evaluate and feedback-Link to policy issues**

GOVERNANCE PLAN – Roles & Responsibilities

(all of the language below is taken from the Governance Plan)

Regional Integrated Business Plans = the management tool to provide accountability at all levels in the MHS for both the direct care and purchased health care delivery…The objective for the business planning process is to achieve optimal utilization of the DHP resources and provide management accountability at every level of the MHS.

The business planning process will:

- **Document the accountability and responsibility for the scope of care provided by each MTF**
- **Account for staffing and funding, and establish productivity and financial objectives with TMA**
- **Establish the direct care system capability and capacity with analysis of market demands and opportunities**
- **Identify opportunities that require investment capital, optimization funding, or requirements to meet critical medical needs**

GOVERNANCE PLAN – Roles & Responsibilities

(all of the language below is taken from the Governance Plan)

Regional Director:

- **Have knowledge of all assets, costs, and expenditures**
- **Management of the TRICARE contracts for all eligible MHS beneficiaries in the region.**
- **Provide support to MTF Commanders in delivery of health care services…in efforts to optimize health care services in the MTFs…and other assistance as required to support MTF and remote areas to meet regional strategic planning goals and annual business plan objectives.**
- **Develop business plans for non-MTF areas**
- **Integrate MTF and remote business plans into a single plan**
- **Monitor MTF performance in accordance with their business plans; and communicate with MTF Commanders, and if necessary with Service headquarters, when deviations from the plan are noted**
- **Make recommendations to the Services regarding the flow of dollars and staffing in their respective areas**
- **Funding of regional initiatives to optimize and improve the delivery of healthcare through dedicated resources and a disciplined and open business case planning/approval process**

Note: Opportunities for Investment capital can be initiated by the Regional Director, a single MTF Commander or by a Senior Market Manager on behalf of the MTFs in a multiple service market.

Chair of the TRICARE Regional Advisory Committee

GOVERNANCE PLAN – Roles & Responsibilities

(all of the language below is taken from the Governance Plan)

Senior Market Manager:

- **Coordinate the development of an integrated multi-service business plan to be approved by individual Surgeon General**
- **Lead a collaborative process to develop a consolidated business plan and to jointly work resource issues**
- **Make recommendations concerning short-term operational decisions to address unanticipated changes in staffing and/or demand for patient services. This includes recommendations to temporarily reassign staff within the market (disputes adjudicated through the chains of command of the involved Services and the dispute resolution process outlined in the Governance Plan).**

MTF Commander:

- **Delivery of the TRICARE health benefit to the population enrolled to the MTF**
- **Provision of care to selected beneficiaries to maintain readiness skills and clinical competencies**
- **Maximize the utilization of the facility after the needs of TRICARE Prime enrollees have been met**
- **Develop and submit the MTF business plan**
- **Develop and implement joint programs in multi-service market areas**
- **Identify and develop sharing initiatives with VA**
- **Manage the care of all MTF Prime enrollees under Revised Financing**
- **Support and participate in regional activities as requested**

Governance Plan Committee Structure

(all of the language below is taken from the Governance Plan)

SENIOR MILITARY MEDICAL ADVISORY COUNCIL (SMMAC) & ASD(HA)

Regional business plan issues that are not resolved by the TAC will be presented for review by the Senior Military Medical Advisory Council (SMMAC) and resolution by the ASD(HA) in his role as program manager for all medical resources.

TRICARE ADVISORY COMMITTEE (TAC)

(Chaired by TMA COO with membership to include the TMA Chief Medical Officer, TMA Chief Financial Officer, TMA Chief Information Officer, and the three Deputy Surgeons General.)

Purpose: The TAC will approve and periodically evaluate the regional health plans…and is available to identify and resolve issues prior to bringing them to the attention of the TMA Director.

TRICARE REGIONAL ADVISORY COMMITTEE (TRAC)

(Chaired by the Regional Director with membership to include representative MTF Commanders and/or Intermediate Commands/Services and the Managed Care Support Contractor.)

Purpose: The TRAC will review the annual regional business plans and periodically assess the regional business plan's performance. The TRAC will serve as a forum to identify and resolve regional issues prior to bringing them to the attention of the TAC or COO.

MSMs

Disputes between MTFs in a multi-service market will be adjudicated through the chains of command of the involved Services.

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Organizational Options

Option 1: New Business Planning Office under Deputy Director, TMA

The Director of Business Planning reports to Deputy Director of TMA, as Chair of the TRICARE Advisory Committee (TAC).

Option 2: New Business Planning Office under CFO, TMA

The Director of Business Planning reports to CFO, TMA. Regular updates are given to the TRICARE Advisory Committee (TAC).

Option 3: IPT/Working Group under Deputy Director, TMA or CFO, TMA

An “Integrated Process Team/ Chartered Working Group” is empowered to provide leadership in shaping the overall DOD/TMA business planning process. The IPT/CWG would report to the the Deputy Director of TMA or CFO, TMA.

Next Steps

- **Coordinate with DASDs**
- **Coordinate with Services**
- **Prepare decision brief for ASD (HA) and SMMAC**